

FEDERAL TIME AND EFFORT REPORTING GUIDANCE HANDBOOK

*FOR LOCAL EDUCATIONAL AGENCIES
(INDEPENDENT SCHOOL DISTRICTS,
OPEN-ENROLLMENT CHARTER SCHOOLS,
AND EDUCATION SERVICE CENTERS)*

Contents

Intended Audience	1
Time and Effort Requirements under the New EDGAR	1
Introduction	1
Exceptions to the Federal Time and Effort Reporting Requirement	1
Employees Devoted to Indirect Cost Activities	1
Employees Devoted to Programs Covered by Ed-Flex Waiver	2
Campuses That Adopt a Schoolwide Program	2
Handbook Focus: Federal Requirements	3
Regulatory Foundation of the Requirement	3
Payroll Cost As an Allowable Charge	3
Tracking and Tracing of Allowable, Allocable Payroll Expenditures	3
Maintenance of Supporting Documentation	4
Accounting for Time and Effort	4
Employees Funded through a Single Federal Grant Program or Working on a Single Cost Objective	4
Single Cost Objective Defined	4
Reporting Requirements of Semiannual Certifications	4
Employees Funded through Multiple Federal Grant Programs or Working on Multiple Cost Objectives	5
Reporting Requirements of Personnel Activity Reports	5
Semiannual Certification through the Substitute System	5
Two Reporting Systems	6
Traditional System of Federal Time and Effort Reporting	6
Substitute System of Federal Time and Effort Reporting	6
Substitute System Resources	7
How to Document Compliance for an Auditor or Monitor	7
Written Policies and Procedures	7
Semiannual Certifications	8
Personnel Activity Reports (PARs)	8
Job Descriptions	9
Consequences of Noncompliance	9
Appendix 1: OMB Circular A-87, Attachment B, Section 8h	10

Intended Audience

This guidance pertains to local educational agencies (LEAs), specifically independent school districts, open-enrollment charter schools, and education service centers, governed by the cost principles in the new version of the Education Department General Administrative Regulations (new EDGAR) for current grants or the Office of Management and Budget (OMB) Circular A-87 for grants awarded prior to December 26, 2014.

Time and Effort Requirements under the New EDGAR

The new OMB regulations, codified as Title 2 of the Code of Federal Regulations (2 CFR) Part 200, were incorporated into federal regulation on December 26, 2014. The new regulations govern all federal grants awarded by the US Department of Education (USDE) to the state or to an LEA on or after that date. Grants awarded before December 26, 2014, continue to be governed by the OMB circulars that were in effect when the grant was awarded. Visit the [New EDGAR](#) page of the TEA website for more information on all of the new requirements.

In the area of time and effort, the new EDGAR provides a description of the seven characteristics that must exist in your written time and effort policies and procedures ([2 CFR 200.430](#)). Be familiar with these characteristics and ensure that your current policies and procedures reflect them.

However, because the new EDGAR does not list specific types of required documentation for time and effort, TEA recommends at this time that you continue to maintain your existing system of documentation for time and effort if it meets the OMB Circular for your organization under the previous version of EDGAR ([A-87, A-21, or A-122](#), as applicable).

Introduction

This handbook provides guidance on how to document time and effort for employees paid with federal grant funds.

Time and effort documentation is required when any part of the employee's salary is charged to the federal program or used as match for a federal program. Time and effort documentation serves as a receipt for payroll expenditures. In the General Provisions and Assurances that are part of every TEA grant agreement, grant applicants provide assurance that they will maintain records for any personnel whose salaries are prorated among different fund sources, unless the employee falls into one of the exception categories (described in the following section). For federally funded personnel, the General Provisions and Assurances further specify that the records must meet requirements defined in the applicable OMB circular.

The keeping of these records is known as "time and effort reporting." This handbook describes the federal time and effort reporting requirement, what LEAs must do to meet it, how to demonstrate compliance for an independent auditor or TEA monitor, and the consequences of noncompliance.

Exceptions to the Federal Time and Effort Reporting Requirement

In three cases, federally funded employees are exempt from the time and effort reporting requirement.

Employees Devoted to Indirect Cost Activities

One exception to the requirement that employees whose salaries are funded in part or in whole by federal grant dollars must document their time and effort is an employee who engages 100% of the time in indirect cost activities and is paid from the indirect cost pool.

Indirect costs, by definition, are costs that are shared among multiple funding sources and that cannot easily be distributed among those funding sources. An example would be an employee who provides administrative support to a federal program director in charge of multiple programs. That employee is likely to answer multiple phone calls related to a range of programs. He or she might order supplies used by staff assigned to multiple programs and might also maintain their time and effort documentation. A portion of the employee's time might be spent maintaining office equipment shared by all staff.

It would be difficult, if not impossible, to accurately document what program that employee was benefiting in each 15-minute segment of the work day, which is what time and effort documentation must do. Therefore, all employees who engage in indirect cost activities for all of their work day and are paid from the indirect cost pool are exempt from the time and effort reporting requirement.

Employees Devoted to Programs Covered by Ed-Flex Waiver

The second exception to the federal time and effort reporting requirement concerns grant programs covered under Texas's Ed-Flex waiver.

USDE may award an Ed-Flex waiver to a state with strong accountability safeguards. Texas qualifies for and receives an Ed-Flex waiver. Under Ed-Flex, the US Secretary of Education delegates to Texas the authority to waive some federal education requirements that may make it more difficult for the state to achieve the intended goals of certain education programs.

One of the requirements Texas automatically waives under its Ed-Flex authority is time and effort semiannual certification for employees funded by certain grant programs. [Most programs covered by the Ed-Flex waiver](#) are authorized by the No Child Left Behind Act of 2001 (NCLB). Next to NCLB, many LEAs receive most of their federal grant funds through programs authorized by the Individuals with Disabilities Education Act (IDEA). Federal law prohibits states from using their Ed-Flex authority to waive any IDEA requirements.

Employees whose salaries are fully funded by any Ed-Flex covered grant program are not required to submit the semiannual certification. Instead, the LEA must maintain an accurate, up-to-date job description for those employees. The job description, signed by both employee and supervisor, must clearly state that the employee is assigned 100% to the covered grant program.

Campuses That Adopt a Schoolwide Program

Campuses that choose to adopt a schoolwide program model can consolidate their Title I, Part A grant funds, or their Title I, Part A funds and other funds, into a single budget "pool." Funds in the pool belong to the schoolwide program budget instead of many individual budgets, and the campus can use the pool to pay for any activity that improves its entire educational program. This consolidation eases the usual requirement to account for funds from each specific federal program separately.

Consolidating funds into a single budget "pool" does not mean that your campus puts all of its funds into one account with its own accounting code. Instead, the pool concept means that you can use the consolidated funds for one purpose, which is to operate the schoolwide program.

Your campus does not need to maintain separate records for each program, but it does need to maintain some documentation. In each grant year, you must be able to show TEA monitors or your own independent auditor the amount of funds you put into the pool from each federal program and state and local source of funds. To satisfy cash management, availability of funds, and federal reporting requirements, you must also be able to show that funds awarded by a particular program were actually expended. One of the ways you can do this is by allocating the federal funds to the schoolwide pool in proportion to the funds awarded to your campus.

Consolidating funds is not the same as coordinating funds, which is when a campus pays for an activity using multiple fund sources and tracks each portion to an allowable program expenditure. Coordinating program funds in this manner does not provide the same level of flexibility as does consolidating funds.

For more information about schoolwide programs, refer to the [Schoolwide Programs](#) page of the TEA website.

Handbook Focus: Federal Requirements

This handbook is published by the Office for Grants and Federal Fiscal Compliance (OGFFC). Within OGFFC, the Division of Federal Fiscal Monitoring monitors LEA compliance with federal time and effort reporting requirements, and the Division of Grants Administration communicates federal time and effort guidance. Thus, this handbook focuses on time and effort reporting requirements for employees funded in part or in whole with federal dollars.

Time and effort reporting requirements may differ for employees funded entirely with state and local funds or for LEAs that receive no federal grant funding. Guidance for those employees and LEAs is communicated by TEA's Division of Financial Compliance. You may contact that division by phone at (512) 463-9095 or email at schoolaudits@tea.texas.gov for details concerning state time and effort reporting requirements.

Regulatory Foundation of the Requirement

All requirements communicated and enforced by TEA's OGFFC are found in federal rules and regulations. The time and effort reporting requirement is based on a broad regulatory foundation.

Payroll Cost As an Allowable Charge

The OMB publishes circulars that list allowable costs, or costs that may legitimately be paid with grant funds, for various entity types. [OMB A-87](#) lists costs that are allowable for LEAs, including independent school districts, open-enrollment charter schools, and education service centers. Under [OMB A-87](#), payroll charges are listed as an allowable expenditure of federal grant funds.

All TEA's grant applications include a form, or schedule, that applicants are required to complete if they plan to expend grant funds on payroll charges. TEA must approve the applicant's planned payroll budget before the agency can award grant funds. As the program progresses, the grantee may need to change its plans for payroll expenditures, and depending on the type and amount of the change, the application may need to be amended.

Tracking and Tracing of Allowable, Allocable Payroll Expenditures

The Code of Federal Regulations is divided into titles, each of which lists regulations applicable to a different department of the federal government. [Title 34 of the Code of Federal Regulations \(34 CFR\)](#), also known as the Education Department General Administrative Regulations (EDGAR), applies to the US Department of Education (USDE). 34 CFR includes regulations pertaining to all administrative facets of grant management, including when and how grant funds may be expended.

[34 CFR 80.20\(a\)\(2\)](#) requires federal grantees to use an accounting system that permits "the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes." If a grantee expends federal grant funds on payroll charges, as is permitted in [OMB A-87](#), the grantee must be able to trace and track all payroll expenditures by grant program through its accounting system.

[34 CFR 80.20\(b\)\(5\)](#) requires federal grantees to apply applicable OMB cost principles and agency program regulations and to follow the terms of grant and subgrant agreements in determining the reasonableness, allowability, and allocability of costs.

Maintenance of Supporting Documentation

[34 CFR 80.20\(b\)\(6\)](#) requires grantees to maintain records supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, and contract and subgrant award documents.

Accounting for Time and Effort

Time and effort reporting requirements under [OMB A-87](#) are applicable to independent school districts, open-enrollment charter schools, and education service centers.

While [OMB A-87](#) permits payroll expenditures and [34 CFR 80.20\(a\)\(2\)](#) requires them to be tracked precisely, additional regulations applies to the way LEAs must document the hours their employees spend working under one or more federal grant programs. The purpose of these additional regulations, which are also found in [OMB A-87](#), specifically in [Attachment B, Section 8h](#), is to enforce accountability on both the employee and LEA level for all payroll charges made to federal grants.

For ease of reference, [Attachment B, Section 8h](#) of [OMB A-87](#) is reproduced as Appendix 1 of this handbook.

Employees Funded through a Single Federal Grant Program or Working on a Single Cost Objective

If an employee works solely on a single federal award or cost objective, charges for the employee's salary and wages must be supported by periodic (semiannual, at least) certifications that the employee worked solely on that program or cost objective for the period covered by the certification. However, the state's Ed-Flex waiver authority waives this semiannual certification requirement, as long as job descriptions are on file, with dated signature of employee and supervisor, for programs covered under Ed-Flex. (Refer to the section titled Employees Devoted to Program Covered by Ed-Flex for details.)

Single Cost Objective Defined

The key to determining whether an employee is working on a single cost objective is whether the employee's salary and wages can be supported in full from the federal award alone if the employee's salary is also paid with nonfederal funds. If the employee's duties could be paid in full from the federal source, then the employee has a single cost objective, and only semiannual certification is required.

Refer to the FAQ posted on the [Substitute System](#) page of the TEA website for multiple examples of what constitutes a single cost objective.

Reporting Requirements of Semiannual Certifications

Employees whose salaries are funded under a single federal grant program are required to report their time and effort through periodic (semiannual, at least) certifications. Each semiannual certification may cover a part of the year, not to exceed six months in length, and is not required to cover an exact six-month period. Employees may submit one semiannual certification for each semester of the school year, for instance. Neither USDE nor TEA mandates the use of a specific form for the periodic certification. However, all of the LEA's employees must use the same form, which must include the following elements:

- The employer's name
- The employee's name and position
- The name of the federal program or cost objective under which the employee was 100% funded
- The reporting period (semiannual, at least)
- A statement that the employee worked solely on that program for the period covered by the certification
- The dated signature of the employee or of a supervisor with firsthand knowledge of the employee's activities

In addition, the certification must meet the following requirements:

- Must be completed once in each six-month period
- Must be prepared after the work is performed
- Must account for total activity performed during the reporting period

Employees Funded through Multiple Federal Grant Programs or Working on Multiple Cost Objectives

Employees who work on multiple activities or cost objectives are required to maintain monthly personnel activity reports (PARs) to support the distribution of their salaries or wages.

Reporting Requirements of Personnel Activity Reports

Employees working on multiple activities or costs objectives are required to maintain PARs if the employee's work includes any of the following:

- More than one federal award
- Federal and nonfederal awards
- Indirect and direct cost activities
- Two or more indirect activities allocated using different allocation bases
- An unallowable activity and a direct or indirect cost activity

Neither USDE nor TEA mandates the use of a specific form for the PAR. However, all of the LEA's employees must use the same form, which must include the following elements:

- The employee's actual activity
- The employee's signature

In addition, the PAR must meet the following requirements:

- Must be prepared after the work is performed
- Must account for the total activity for which the employee is compensated
- Must be prepared at least monthly and should coincide with one or more pay periods
- Must agree with supporting documentation

Semiannual Certification through the Substitute System

Employees who work on multiple grant programs according to a regular, predetermined schedule may certify their time and effort semiannually through the substitute system of time and effort reporting, which USDE publicized in September 2012. Because the substitute system permits qualifying employees to complete semiannual certifications instead of monthly PARs, it eases the time and effort administrative burden on both qualifying employees and LEAs. For that reason, TEA encourages LEAs to adopt the substitute system.

USDE requires LEAs using the substitute system to submit a management certification to TEA. LEAs must use TEA's management certification form. After TEA receives the completed

certification by the stated deadline for a given school year, the LEA's qualifying employees may use the substitute system to document their time semiannually rather than every month. To accommodate the greatest number of LEAs, TEA sets multiple deadlines for submission of the management certification. Refer to the [Substitute System](#) page of the TEA website for deadlines for the current school year.

TEA has developed a semiannual certification form that the LEA may choose to use for its employees' certifications. The form is posted on the [Substitute System](#) page of the TEA website. The TEA-developed semiannual certification form includes all elements that will be reviewed in an audit or grant review. An LEA is free to develop and use its own semiannual certification form for its employees. The LEA must use either the TEA-developed form or its own form for all its employees.

Refer to the Substitute System of Federal Time and Effort Reporting section of this handbook for details.

Two Reporting Systems

Any LEA that receives federal grant funds is required to maintain time and effort documentation for its employees whose employees are paid at least in part with federal funds. (Employees funded wholly with nonfederal funds and LEAs that do not receive federal grant funds are subject to time and effort requirements communicated by TEA's Division of Financial Compliance. Refer to the Introduction for contact information.)

LEAs may use one of two time and effort reporting systems:

- The traditional system requiring semiannual certifications for single-source funded employees working on non-Ed-Flex programs and PARs for employees funded through multiple federal grant programs
- The substitute system, which also allows semiannual certifications for certain employees funded through multiple federal grant programs

Traditional System of Federal Time and Effort Reporting

[Attachment B, Section 8h](#) of [OMB A-87](#) describes the traditional system of time and effort reporting (see Appendix 1 for easy reference). This section of the OMB circular provides authority for most elements of all time and effort reporting systems, as follows:

- It defines the employees required to document time and effort, as well as the form that documentation must take.
- It exempts employees devoted to indirect cost activities from the time and effort requirement.
- It authorizes LEAs to use a substitute system of time and effort reporting.

Substitute System of Federal Time and Effort Reporting

USDE developed the substitute system of time and effort reporting as part of an effort to reduce LEAs' administrative requirements. Because the substitute system simplifies and reduces the time and effort documentation burden for qualifying employees and LEAs, TEA encourages LEAs to adopt it.

USDE requires LEAs using the substitute system to complete a management certification form. Every school year, TEA announces the deadlines for submitting the management certification in order for the LEA to use the substitute system for the entire school year or parts of it. LEAs that submit their management certification forms by the first announced deadline may use the substitute system for the entire school year. LEAs that miss the first deadline may still submit by a subsequent deadline to use the substitute system for a portion of the school year.

The deadlines are announced by several means:

- To the Administrator Addressed letter, posted to the [TEA Correspondence](#) page
- Regular, repeated bulletins delivered via the GAFPC email update system (sign up through the [Texas Education Agency Updates](#) page)
- The [Substitute System](#) page of the TEA website

The management certification form is posted on the [Substitute System](#) page of the TEA website.

Once the LEA has submitted its management certification by the appropriate publicized deadline, eligible employees may begin using the substitute system to document their time and effort for the corresponding part of the school year. Employees are eligible who meet the following requirements:

- The employee must currently work on a schedule that includes multiple activities or cost objectives that must be supported by monthly PARs.
- The employee must work on specific activities or cost objectives based on a predetermined schedule.
- The employee may not work on multiple activities or cost objectives at the exact same time on his or her schedule.

Employees may use a TEA-developed semiannual certification form to report their time and effort under the substitute system. If the LEA chooses to use the form, all its federally funded employees, regardless of whether they are funded by a single or by multiple grant programs, must use the same form.

Substitute System Resources

The [Substitute System](#) page of the TEA website includes a detailed description of the system, as well as links to the following resources:

- USDE substitute system information
- TEA's PowerPoint presentation describing the substitute system
- Substitute system FAQ

How to Document Compliance for an Auditor or Monitor

The following sections detail two topics:

- How the LEA must report time and effort for its employees that are paid with federal grant funds
- How time and effort records must be maintained to demonstrate compliance with the time and effort reporting requirements for an auditor or monitor

An LEA demonstrates its compliance through its time and effort documentation, which includes the following:

- Written policies and procedures
- Semiannual certification form
- PAR form
- Job description (for employees devoted to programs covered under the Ed-Flex waiver)

Written Policies and Procedures

In an audit or grant review, the LEA must demonstrate that it maintains and follows written policies and procedures for the federal time and effort reporting requirement. In reviewing the

LEA's time and effort policies and procedures, an auditor or monitor will check to ensure the following are documented:

- A specific administrative procedure that describes the circumstances under which employees are required to prepare periodic certifications (semiannual, at least) or PARs
- A specific administrative procedure that prescribes the frequency, form, and content of a semiannual certification or PAR
- Procedures that include a sample semiannual certification and a sample PAR
- A specific administrative procedure that requires that employees disclose on the PAR an after-the-fact distribution of 100 percent of the actual time spent on each activity and each fund source
- A specific administrative procedure that requires the allocation of payroll costs to federal awards based upon the actual time reported by each employee paid from a federal award

Semiannual Certifications

LEAs that choose to use the substitute system of time and effort have the option of using the TEA-developed semiannual certification form, which was designed to include all elements under an auditor or monitor's review. The LEA may choose to use the semiannual certification form regardless of whether it adopts the substitute system of time and effort reporting.

The LEA may also choose to develop its own semiannual certification form, whether it uses the traditional system or the substitute system of federal time and effort reporting. The LEA may not use the TEA-developed semiannual certification form for some employees and the LEA form for others. Instead, the LEA must use the same form for all its employees.

LEAs that choose to develop their own semiannual certification forms for use under the substitute system or that use the traditional system of time and effort reporting must ensure their semiannual certification forms meet the requirements and include the elements described in the Reporting Requirements of Semiannual Certifications section.

Personnel Activity Reports (PARs)

Under the traditional system of federal time and effort reporting, employees whose salaries are funded by multiple federal grant programs must complete a PAR at least monthly. The PAR must include the elements and meet the requirements described in the Reporting Requirements of Personnel Activity Reports section.

PARs involve six times the paperwork, time, and maintenance as semiannual certifications. Under the substitute system of federal time and effort reporting, multiple-source funded employees may submit semiannual certifications instead of PARs as long as they meet the following three requirements:

- The employee must currently work on a schedule that includes multiple activities or cost objectives that must be supported by monthly PARs.
- The employee must work on specific activities or cost objectives based on a predetermined schedule.
- The employee may not work on multiple activities or cost objectives at the exact same time on his or her schedule.

LEAs are encouraged to use the substitute system of time and effort reporting. See the [Substitute System](#) page of the TEA website for details.

Job Descriptions

Under its Ed-Flex waiver, Texas has the authority to waive some federal education requirements for [certain NCLB grant programs](#). One of the requirements Texas has chosen to waive is the time and effort reporting requirement for employees who are 100% funded under those programs. Those employees are not required to submit semiannual certifications to document their time and effort. Instead, the LEA must maintain an accurate, up-to-date job description for those employees.

The job description must meet the following requirements:

- Current duties and responsibilities
- List of all program or cost objectives under which the employee works
- Periodical updates when duties or responsibilities change
- Dated signature of both employee and employee's supervisor

Consequences of Noncompliance

The LEA's failure to meet time and effort reporting requirements may place grant funds at risk of being misused and impede the LEA's ability to expend grant funds for the purposes stipulated and within costs allowed in federal law and rules.

Citations of improper time and effort reporting are the most often-questioned costs in audits and grant monitoring.

Failure to implement timely and appropriate corrective actions to these questioned costs may lead to being designated a high-risk grantee under [34 CFR 80.12](#) and potentially could lead to enforcement actions under [34 CFR 80.43](#).

Appendix 1: OMB Circular A-87, Attachment B, Section 8h

Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation.

(1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.

(2) No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.

(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection 8.h.(5) of this appendix unless a statistical sampling system (see subsection 8.h.(6) of this appendix) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

(a) More than one Federal award,

(b) A Federal award and a non-Federal award,

(c) An indirect cost activity and a direct cost activity,

(d) Two or more indirect activities which are allocated using different allocation bases, or

(e) An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:

(a) They must reflect an after-the-fact distribution of the actual activity of each employee,

(b) They must account for the total activity for which each employee is compensated,

(c) They must be prepared at least monthly and must coincide with one or more pay periods, and

(d) They must be signed by the employee.

(e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:

(i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;

(ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and

(iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

(6) Substitute systems for allocating salaries and wages to Federal awards may be used in place of activity reports. These systems are subject to approval if required by the cognizant agency. Such systems may include, but are not limited to, random moment sampling, case counts, or other quantifiable measures of employee effort.

(a) Substitute systems which use sampling methods (primarily for Temporary Assistance to Needy Families (TANF), Medicaid, and other public assistance programs) must meet acceptable statistical sampling standards including:

(i) The sampling universe must include all of the employees whose salaries and wages are to be allocated based on sample results except as provided in subsection 8.h.(6)(c) of this appendix;

(ii) The entire time period involved must be covered by the sample; and

(iii) The results must be statistically valid and applied to the period being sampled.

(b) Allocating charges for the sampled employees' supervisors, clerical and support staffs, based on the results of the sampled employees, will be acceptable.

(c) Less than full compliance with the statistical sampling standards noted in subsection 8.h.(6)(a) of this appendix may be accepted by the cognizant agency if it concludes that the amounts to be allocated to Federal awards will be minimal, or if it concludes that the system proposed by the governmental unit will result in lower costs to Federal awards than a system which complies with the standards.

(7) Salaries and wages of employees used in meeting cost sharing or matching requirements of Federal awards must be supported in the same manner as those claimed as allowable costs under Federal awards.

Copyright © Notice. The materials are copyrighted © and trademarked ™ as the property of the Texas Education Agency (TEA) and may not be reproduced without the express written permission of TEA, except under the following conditions:

1. Texas public school districts, charter schools, and Education Service Centers may reproduce and use copies of the Materials and Related Materials for the districts' and schools' educational use without obtaining permission from TEA.
2. Residents of the state of Texas may reproduce and use copies of the Materials and Related Materials for individual personal use only without obtaining written permission of TEA.
3. Any portion reproduced must be reproduced in its entirety and remain unedited, unaltered and unchanged in any way.
4. No monetary charge can be made for the reproduced materials or any document containing them; however, a reasonable charge to cover only the cost of reproduction and distribution may be charged.

Private entities or persons located in Texas that are not Texas public school districts, Texas Education Service Centers, or Texas charter schools or any entity, whether public or private, educational or non-educational, located outside the state of Texas MUST obtain written approval from TEA and will be required to enter into a license agreement that may involve the payment of a licensing fee or a royalty.

For information contact: Texas Education Agency, 1701 N. Congress Ave., Austin, TX 78701-1494; email: copyrights@tea.texas.gov.